

# LACERS NEWS

RETIRED MEMBERS  
WINTER 2022



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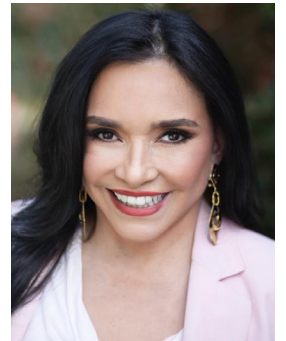
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## A MESSAGE FROM BOARD PRESIDENT, NILZA SERRANO

Leading efforts that deliver on the promise of a dignified retirement with the City of Los Angeles means the world to me. As your Board President, I am proud of the collaboration and focus exhibited by the LACERS Board of Administration to forge ahead against the profound challenges of the COVID-19 Pandemic and perform our fiduciary duties in an exemplary fashion. With the handling of the pandemic transitioning from emergency footing to sustainable strategies, new and different challenges are moving to the forefront.



Inflation has been reaching levels not seen in decades. The current economic environment caused by high inflation has left many LACERS retirees wondering, "Who can help?!" As your advocate, the Board acted to lessen inflationary impacts by approving the maximum Cost of Living Adjustment (COLA) allowed by the City Charter. As challenges continue to present themselves, know that they will be met with appropriate measures that reflect our commitment to ensuring that all current and future generations of LACERS Members can enjoy the dignified retirement they have worked so hard for.

Representation is paramount, and making your voice heard is vital to LACERS. We conduct our board meetings in an open, transparent, and impartial way. Regular Board of Administration Meetings are held at 10:00 a.m. on the second and fourth Tuesday of each month. Please visit the LACERS' website at [lacers.org/board](https://lacers.org/board) for meeting access and special dial-in information to join us.

As the holiday season brings reflection, gratitude, and memorable moments with friends and loved ones, know that the LACERS Board of Administration continues forging ahead for the benefit of all LACERS Members.

Happy Holidays!

Nilza Serrano

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## **A MESSAGE FROM GENERAL MANAGER, NEIL GUGLIELMO**

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This year's holiday season feels a bit different; there is more optimism in the air, and rightfully so. With practical tools and resources in place to help reduce the threat of COVID-19, individuals can again consider taking part in long-awaited celebrations with loved ones, whether get-togethers are close by or require traveling a great distance. And while COVID-19 remains an ever-present part of our lives, it is encouraging to see that it can be managed when the right precautions are taken.

Optimism is in full swing here at LACERS, too. I am thrilled to share that the relocation and expansion of our headquarters at 977 N. Broadway is nearing completion. Veiled in Navy Blue and boasting state-of-the-art equipment, our new space augments our amazing staff and positions at LACERS to continue delivering the highest quality service to our Members.

As I have stated at LACERS Board Meetings, we are

working with our actuary to explore the feasibility of allowing reimbursement of Medicare Part B Income-Related Monthly Adjustment Amounts (IRMAAs) and to reimburse Medicare Part B basic premiums for LACERS Members who started City employment before April 1, 1986, and are currently excluded from reimbursement. Admittedly, we are in the early stages of this endeavor, but our actuary will provide analysis back to the LACERS Board and staff in 2023. From this analysis, potential options for changing the benefits will be developed and shared with the City Council and the Mayor for their consideration.

In other news, LACERS, like all of you, is eagerly awaiting a resolution between Russia and Ukraine while simultaneously navigating the current economic environment marked by inflation and stock market volatility. We have also welcomed a new Mayor, Karen Bass who has replaced Mayor Garcetti. We look forward to seeing the new innovations and leadership she will bring to our great city. As much as these scenarios bring uncertainty, one thing is sure: The Team at LACERS is steadfast in our commitment to serving our cherished membership and ensuring that we deliver promised benefits accurately and on time.

I wish you all a healthy and safe holiday season.

Neil

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## ***Don't Wait for the Mail : Enroll in Direct Deposit Today***

Sign up for direct deposit today! Not only will you enjoy never having to visit the bank to deposit your pension check again, but you will also not have to worry about mail theft, weather delays, natural disasters, or other potentially disruptive events.

To have your monthly retirement allowance deposited directly into your bank account, complete the Direct Deposit Authorization form available on our website at [lacers.org/forms](https://lacers.org/forms).

Please remember that your form needs to be received by LACERS by the 12th of the month to be effective for the next pension check.

## Tech Talk: Smartphones and Using Technology Safely

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Handheld cellular phones were introduced to the world in the 1990s with the primary purpose of facilitating phone calls. As technology advanced, it became more robust to include emails and messaging along with the normal call capabilities. Fast-forward to the present time, smartphones have, to some degree, replaced cameras, video recorders, gaming consoles, and so many other devices. The complexity of smartphones can be challenging even for the most tech-savvy person, let alone for the older generations.

Many seniors can become overwhelmed by the ever-changing advancements in technology. The frustration of having to learn how to operate the latest and greatest smartphone advancements is understandable. That said, it is essential to continue the effort to learn, as technology can take the stress off seniors and their families.

There are many ways that smartphones can assist seniors. One of the biggest benefits smartphones offer is the ability to communicate and socialize. Emails, texting, social apps, and video chat options are easy and, in most cases, inexpensive for seniors. For many, the ability to communicate with others helps combat feelings of depression and isolation, which can be common when living alone.

It is very important to learn how to use technology safely with the use of strong passwords and implementing two-factor authentication when available. To find out more about how to safely use technology visit [lacers.org/article/cybersecurity-best-practices](https://lacers.org/article/cybersecurity-best-practices). Additionally, did you know that the LACERS Well program offers free technology assistance through Mom's Computer?

For more information and to check out the 2023 monthly class dates, view the calendar on our website at [lacers.org/calendar](https://lacers.org/calendar) and look for Technology Events. If you need more assistance, please call our main line at (800) 779-8328 and ask for more information on how to attend a free technology event with Mom's Computer.



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### **Submit an Article for a Chance to Have it Published in a Future LACERS Publication!**

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We know you have a lot to say! LACERS is looking for article submissions from our Members to be featured in future e-blasts and newsletters. You can submit an article that is 250 words or less based on the following topics:

- How you planned for your retirement
- Money-saving tips
- Your hobbies

One submission will be selected every quarter, and the Member chosen will receive a gift card! Take this opportunity to share some of your insights with your fellow Members. Please visit our Member Article Submission webpage at [lacers.org/newsletter](https://lacers.org/newsletter) for more information and to submit an article.

## The Importance of a Power of Attorney

A Power of Attorney (POA) is an important document that helps families navigate difficult times. The POA can serve as an assurance if a Member were unable to act on their own behalf due to mental or physical incapacity. Taking the additional step of having someone to help with financial and medical decisions should one become incapacitated can be very beneficial.

Many people never think of establishing a POA until they need one, and by then it is no longer an option. It is important to note that Members must complete a POA before becoming incapacitated. It can be very time-consuming and costly for family members to file for a Conservatorship to act on one's behalf if a POA was not on file prior to the Member becoming incapacitated.

Additionally, retirement for

many Members might include the dream of living in another country or maintaining a consistent routine of traveling. Having a POA allows Members the flexibility to have someone they designate to take care of their affairs while they are away. Having a mindset to expect the unexpected provides peace of mind knowing that a POA on file allows your designee to act on your behalf should you become incapacitated or unavailable to do so on your own.

If you currently have a Power of Attorney, please provide LACERS with a copy to review, approve, and place on file. If you do not currently have one, please consider using the LACERS Special Durable Power of Attorney form for LACERS matters. It can be downloaded from our website at [lacers.org/forms](http://lacers.org/forms).



### DIVISION SPOTLIGHT:

## Administrative Services Office

LACERS Members may not interact directly on a day-to-day basis with LACERS' Administrative Services Office (ASO). Still, the support ASO provides to our organization allows us to consistently deliver on our motto of "Securing Your Tomorrows."

Here is a glimpse of the many mission-critical responsibilities that ASO oversees:

- LACERS New Headquarters Project
- Emergency Preparedness, Workplace Safety, COVID-19 Safety Protocols

- Mail Collection and Delivery
- Requests for Proposals (RFPs) and Contracts
- Purchasing and Procurement
- Coordinating Special Reporting Required by the City
- Records Retention

This dynamic group of passionate, talented individuals continues to promote the values we aspire to as an organization, and we hope that as you enjoy the many benefits of being a LACERS Member, you know that all the while, ASO is working behind the scenes to ensure your experience is the best it can be.

## A MESSAGE FROM CHIEF INVESTMENT OFFICER, ROD JUNE

*"...the Board continues to navigate market uncertainty using its strategic asset allocation roadmap to ensure the delivery of earned retirement benefits without interruption."*



In the last newsletter article, I discussed the unfolding of the pandemic and its impact on the global investment market. Despite the steep decline in early 2020, a rapid reversal resulted in a net return of 29.09% for LACERS' one-year total fund ending June 30, 2021. With the worst

of the pandemic behind us, we find ourselves in a different economic paradigm. Have you noticed higher consumer prices and interest rates? And if that wasn't enough, the political situation with Russia and lingering supply chain issues adversely impacted investments within LACERS' total fund, which delivered a negative 7.01% net return for the one-year period ending June 30, 2022.

The lifting of interest rates (a monetary policy tool to tame inflation) was not unexpected, but the magnitude of interest rate increases did catch investors by surprise, leading to steep declines in the public equity market and a higher cost to businesses, which are then passed on to consumers. Since LACERS invests much of its investment portfolio in these businesses, we have experienced declines in our investment valuations.

Despite these concerns, the Board continues to navigate market uncertainty using its strategic asset allocation roadmap to ensure the delivery of earned retirement benefits without interruption.

## Could You Be Required to Pay More for your Medicare?

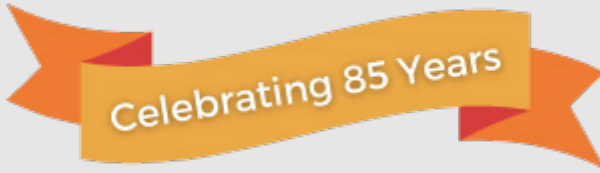
LACERS Medicare requirement states that all Retired Members or dependents covered in a LACERS medical plan must enroll in Medicare at age 65, or as soon as they are eligible. Medicare Part B has a monthly premium cost that Members must pay, whether deducted in the Social Security benefit check or paid out-of-pocket directly to Centers for Medicare & Medicaid Services (CMS). Additionally, all LACERS Members enrolled in Medicare will have Medicare Part D as part of their LACERS Senior Medical Plan.

It is essential to know that some Members and/or their dependents may have to pay an additional premium amount for their Medicare Parts B and D. This extra premium amount is called an IRMAA, which stands for Income-Related Monthly Adjustment Amount. Whether or not you pay an IRMAA is determined by Social Security based on your tax return income and filing status from two years earlier. For

example, if you turn age 65 in 2023 and are retired, Social Security will use your tax return information from 2021 to determine if an IRMAA is to be applied for 2023. If in 2021 you filed Single and made over \$97,000 modified adjusted gross income (MAGI) or filed Married Filing Joint (MFJ) and made over \$194,000 MAGI, you would be billed for an IRMAA. Before you are billed for an IRMAA, Social Security will typically send a notice, and you will have the opportunity to appeal. IRMAA income brackets change yearly and are announced on the Social Security website. This extra amount must be paid in full in order to maintain eligibility for LACERS medical subsidy and medical plan.

Retirees can receive a Medicare Part B basic premium reimbursement if they have both Medicare Parts A and B, are enrolled in a LACERS Senior Medical Plan, or participate in LACERS Medical Premium Reimbursement Program (MPRP) and receive a subsidy. However, IRMAAs are not part of the basic premium and, therefore, are not reimbursed.

# LACERS' 85th Anniversary...Did You Know?



Did you know that LACERS is older than our average retiree? The average retirement age is almost 61, and the average age of our service retirees is 71 and a half!

LACERS is celebrating its 85th year serving the City Employees of Los Angeles, having been established on May 12, 1937, when the City Council certified the results of the May 4th election, which passed the Charter Amendment and established LACERS for City Employees.

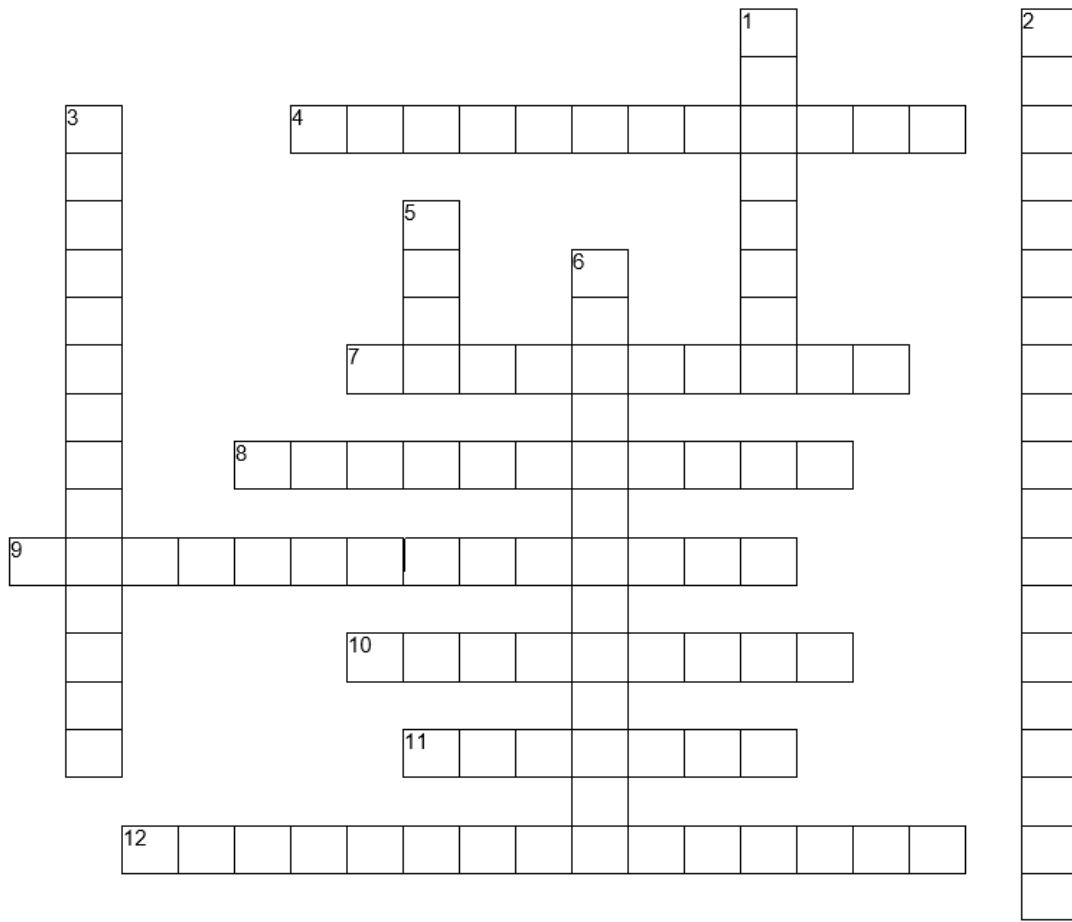
LACERS has been around longer than the ballpoint pen and instant coffee, which weren't invented until the following year!

You may also be familiar with some celebrities who share their birth year with LACERS — Morgan Freeman, Jack Nicholson, and Jane Fonda, among others!

Do you remember 1937? Pepperidge Farm remembers. They were established that year! Other notable things established that year include the incorporation of Toyota and the foundation of Volkswagen car companies!

So please celebrate with us in your own way as LACERS continues to serve its over 25,000 active Tier 1 and Tier 3 employees and over 22,000 retirees and beneficiaries. You might consider taking Polaroid photos with your loved ones and cracking open a can of Dad's Root Beer, both created in 1937! If you do, please share them with us!

## Benefits Crossword Puzzle



\* Answer Key available at [lacers.org/newsletter](http://lacers.org/newsletter).

# LACERS NEWS STAFF

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**Taneda K. Larios** ..... Chief Benefits Analyst  
**Heather Ramirez** ..... Sr. Benefits Analyst II  
**Tiffany Obembe** ..... Sr. Benefits Analyst I  
**Nathan Herkelrath** ..... Benefits Analyst  
**Gabriel J. Perez** ..... Benefits Analyst  
**Khia Moore**..... Benefits Analyst  
**Carlos Jovel Jr.**.....Benefits Analyst  
**Margaret Drenk**.....Sr. Benefits Analyst II  
**Audrey Dymally**.....Sr. Benefits Analyst I  
**Horacio Arroyo**..... Sr. Management Analyst I

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## Across

- This program provided by Kaiser offers easy access to fitness centers and classes tailored for older adults, the program is an excellent way for you to stay active while aging. (3 words)
- A free program offered by LACERS that provides resources for retirees to promote optimal health and enhance the quality of life in retirement
- Any person or legal entity entitled to receive a benefit provided by LACERS. Keep yours updated!
- The amount of money taken from your paycheck for federal and state of California IRS purposes (2 words)
- Ambassadors for the LACERSWELL program who adapt their interests, hobbies, and health goals into meaningful activities for fellow retirees.
- The dollar amount LACERS pays for insurance on a Member's behalf based on your years of service
- A legal document designating an agent of your choosing to act on your behalf regarding LACERS benefits (3 words)

## Down

- Federal insurance that LACERS Members are required to enroll in "Part B" when they turn age 65
- Your user manual for your health benefits, a new one is available every year during open enrollment (3 words)
- A non-Kaiser health and fitness program designed for older adults and includes access to gyms and fun exercise classes for all fitness levels (2 words)
- Not a soda, but the annual increase in retirement dictated by the Consumer Price Index for the Los Angeles area
- Setting this up allows your retirement payment to go straight into your bank account on the last day of the month (2 words)

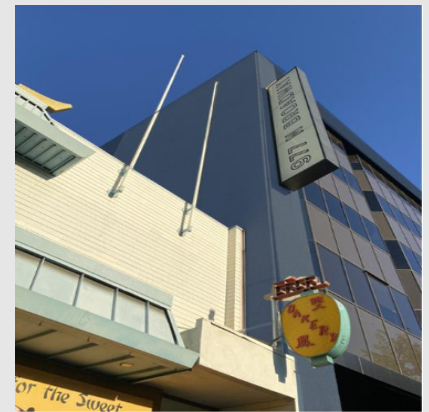


## THE LATEST:

### *Update on the New LACERS Headquarters*

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We are excited to share that this winter, LACERS will begin operating at our expanded headquarters at 977 N. Broadway in Chinatown.



Our building has received Fitwel Certification based on various required components including its proximity to transit, location within a walkable community, its universal pedestrian access, allocating outdoor space for Members and staff, and implementing an Indoor Air Quality policy.

Much like our current office, we will have dedicated Member counseling rooms available, a reception area, and a kiosk with a computer for Member use.

Whether attending a LACERS Board of Administration Meeting, an in-person LACERS Well event, or seeking in-person counseling, we look forward to welcoming you to our new home.



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# LACERS NEWS

**RETIRED MEMBERS  
WINTER 2022**

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## **THERE'S MORE THAN ONE WAY TO REACH US!**

Website:  
**LACERS.org**

Email:  
**lacers.services@lacers.org**  
**lacers.health@lacers.org**

Mailing Address:  
**PO Box 512218, Los Angeles, CA  
90051-0218**

Visit:  
**Currently Suspended While  
Moving**

Call:  
**(800) 779-8328**  
**RTT (888) 349-3996**

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**(213) 473-7297**

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